

Message Text

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42

ACTION EUR-12

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FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 1839

INFO AMEMBASSY BRUSSELS

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AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

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E.O. 11652: N/A

TAGS: ECON, ELAB, PO

SUBJ: TIMEX IN LABOR DISPUTE

1. SUMMARY: MANAGEMENT PERSONNEL WERE HELD 30 HOURS BY WORKERS IN DISPUTE OVER REVOCATION OF SOME PROVISIONAL FRINGE BENEFITS AND INSTITUTION OF SALARY INCREASES FOR SENIOR MANAGEMENT. COPCON INTERVENTION RESULTED IN TEMPORARY AGREEMENT FOR RELEASE OF DETAINEES. FURTHER NEGOTIATIONS CURRENTLY UNDERWAY. END SUMMARY.

2. TIMEX PORTUGUESA ASSEMBLY PLANT, WITH 1950 EMPLOYEES, HAS HAD SERIOUS LABOR DISPUTE SINCE FEBRUARY 21. GENERAL MANAGER STUART BICKERSTAFF, AN ASSISTANT MANAGER AND THREE PORTUGUESE SUPERVISORS WERE CALLED TO MEETING WITH WORKERS' COMMITTEE AND THEN NOT ALLOWED TO LEAVE. ANOTHER ASSISTANT
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MANAGER, MR. FOOTE, TOLD EMBOFF THAT GROUP WAS HELD SOME 30

HOURS IN WINDOWLESS ROOM, PART OF TIME WITHOUT LIGHTS DUE TO ELECTRICAL STORMS. FOOTE SAID THEY WERE GIVEN NO FOOD UNTIL INTERVENTION OF COPCON DETAIL ON AFTERNOON FEBRUARY 22.

3. CONCERNED ABOUT PERSONAL SAFETY OF DETAINEES, ON MORNING FEBRUARY 22 AN OFFICIAL OF FIRM CONTACTED BRITISH EMBASSY, AS ALL SIX FOREIGN EMPLOYEES OF TIMEX PORTUGUESA ARE BRITISH SUBJECT. BRITISH CONSUL IN TURN CONTACTED FOREIGN MINISTRY. COPCON TROOPS APPARENTLY DISPATCHED TO PLANT IN RESPONSE. TIMEX HAS MADE NO ATTEMPT TO CONTACT US AND HAS NOT REQUESTED ANY ASSISTANCE. (EMBASSY CONTACTED FIRM TO CLARIFY SITUATION.)

4. MR. FOOTE TOLD EMBOFF THAT THERE ARE TWO BASIC POINTS AT ISSUE. ONE IS RETENTION OF SOME FRINGE BENEFITS WHICH WERE AGREED UPON AFTER PREVIOUS LABOR DISPUTE IN MAY 1974. BENEFITS WERE INSTITUTED ON SIX-MONTH TRIAL BASIS, WHICH COMPANY LATER EXTENDED FOR SIX MORE WEEKS. COMPANY WISHES TO REVOKE SOME WHICH IT FEELS HAVE BEEN ABUSED. PARTICULARLY CITED WAS PROVISION FOR UP TO TWO DAYS TIME OFF A MONTH WITHOUT NECESSITY FOR JUSTIFICATION, WHICH HAS LED TO GREATLY INCREASED ABSENTEEISM.

5. OTHER MAJOR ISSUEIS THAT OF PAY RAISES FOR HIGHER MANAGEMENT WHICH WERE TO HAVE TAKEN EFFECT MIDNIGHT FEBRUARY 24. WORKERS DEMAND FREEZING OF ALL SALARIES ABOVE 15,000 ESCUDOS (ABOUT DOLS 650) A MONTH, AND RIGHT TO DETERMINE WHICH OTHER CATEGORIES WILL BE RAISED.

6. OPPOSING SIDES CURRENTLY MEETING WITH MFA AND LABOR MINISTRY REPRESENTATIVES AT LABOR MINISTRY. FIRM POSTPONED PLANNED SALARY INCREASES FOR MANAGEMENT FOR 24 HOURS IN RETURN FOR BEING ALLOWED TO LEAVE PREMISES. NEWSPAPER COVERAGE THUS FAR HAS BEEN RELATIVELY LOW KEY.
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